

## **World Sugar Situation – November 2006**

World sugar production for the 2006/07 marketing year is forecast at 155.2 million tons, raw value, up 6 million tons from the May forecast and up 10.5 million tons from 2005/06. Consumption is forecast at 146 million tons, up 300,000 tons from May but up 3.2 million tons from the year earlier. Exports are forecast at 47.7 million tons, up nearly 700,000 tons from May but down 3 million tons from the 2005/06 record of 50.7 million tons. Ending stocks are forecast at 33.2 million tons, up nearly 2.3 million tons from the May forecast and up 4.2 million tons from the previous year.

Forecast increases in 2006/07 world production from the previous year are mainly due to higher production in Brazil at 30.9 million tons, up 4 million tons, India at 25.1 million tons, up 4 million tons, China at 11.2 million tons, up 1.8 million tons, and Thailand at 6.3 million tons, up 1.5 million tons. Production in the EU is forecast to decline by 5 million tons, from 21.8 million tons to 16.8 million tons. The decline is in response to the reforms coming into effect last June\*. The EU exported a record 8.7 million tons of sugar in 2005/06. However the lower production forecast for 2006/07 is expected to reduce exports by 7.2 million tons to 1.5 million tons in 2006/07. Reduced EU exports are the principal reason for the forecast decline in world exports for 2006/07.

Consumption and trade figures for the EU for 2006/07 are slightly higher because the marketing year is extended for three months as they shift from a July/June marketing year to a Oct/Sept marketing year. Exports from Brazil are forecast at 19.6 million tons, an increase of 2.5 million tons. Thailand is forecast to export 4.3 million tons, an additional 1.5 million tons from the previous year, and India may export 2 million tons, an increase of 850,000 tons from last year. Exports from Australia are forecast at 3.8 million tons, down by 350,000 tons due to storm damage.

Principal country changes in 2005/06 world production since the May estimate are: Brazil, down 230,000 tons, China, down 150,000 tons, and Mexico, down, 20,000 tons. Estimated production in Thailand rose by 25,000 tons. Ending stocks for the EU for 2005/06 are now estimated at 3.7 million tons, down 1.1 million tons from the May forecast but down 1.6 million tons from 2004/05.

[See Attaché Report E35225](#)

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